



Business Performance
in
FY2008-3rd Quarter

Mitsui O.S.K. Lines, Ltd.

January 2009

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FY2008 3rd Quarter Results [Consolidated]

(billion yen)	FY2008				FY2007				Increase/decrease	
	1Q Result	2Q Result	3Q Result	Apr.-Dec.	1Q Result	2Q Result	3Q Result	Apr.-Dec.		
Revenue	508	587	475	1,570	446	494	508	1,448	+121	+8%
Operating income	73	91	39	204	59	77	84	220	△16	△7%
Ordinary income	82	104	33	219	64	79	89	232	△13	△6%
Net income	55	69	14	138	34	53	59	146	△8	△5%

Average exchange rate	¥101.74/\$	¥108.08/\$	¥100.71/\$	¥103.51/\$	¥119.32/\$	¥120.17/\$	¥113.44/\$	¥117.64/\$	△¥14.13/\$
Average bunker price	\$560/MT	\$651/MT	\$508/MT	\$576/MT	\$331/MT	\$377/MT	\$442/MT	\$383/MT	+\$193/MT

Ordinary income **△83.7 bil. ¥**

↑
 (Ex. Rate) △53.7 bil. ¥ x 3/4
 (Bunker) △57.9 bil. ¥ x 3/4

(For reference)

FY2008 Exchange rate sensitivity/year:	±3.80 bil. ¥/1¥	(Max)
FY2008 Bunker price sensitivity/year:	±0.30 bil. ¥/1\$	(Max)

(Consolidated Ordinary Income Basis)

[By segment]

(billion yen)		FY2008				FY2007				Increase/decrease	
		1Q Result	2Q Result	3Q Result	Apr.-Dec.	1Q Result	2Q Result	3Q Result	Apr.-Dec.		
Bulkships	Revenue	272	323	250	845	229	254	271	754	+91	+12%
	Ordinary income	75	96	46	217	56	70	79	205	+12	+6%
Containerships	Revenue	173	199	167	539	162	180	176	518	+21	+4%
	Ordinary income	△ 2	△ 0	△ 7	△ 9	1	7	1	9	△ 18	
Logistics	Revenue	16	17	15	48	14	15	16	46	+3	+6%
	Ordinary income	0	0	0	1	0	1	1	2	△ 0	-20%
Ferry& domestic transport	Revenue	14	16	15	44	13	13	14	40	+4	+9%
	Ordinary income	△ 1	0	1	0	△ 0	1	1	1	△ 1	-77%
Associated businesses	Revenue	30	31	26	87	26	27	29	81	+6	+7%
	Ordinary income	4	3	4	11	4	3	4	10	+0	+4%
Others	Revenue	3	2	2	7	2	4	3	9	△ 2	-25%
	Ordinary income	1	0	1	3	2	2	2	6	△ 3	-53%
Elimination	Revenue	-	-	-	-	-	-	-	-	-	-
	Ordinary income	4	3	△ 11	△ 3	2	△ 5	2	△ 0	△ 3	
Consolidated	Revenue	508	587	475	1,570	446	494	508	1,448	+121	+8%
	Ordinary income	82	104	33	219	64	79	89	232	△ 13	-6%

Revenues from customers, unconsolidated subsidiaries and affiliated companies

"Bulkships" consists of Dry bulkers, Tankers, LNG carriers, and Car carriers

Outline of FY2008 3rd Quarter Results [Consolidated]

[Overall]

- A sharp decline in cargo trade and ocean shipping market after the Lehman shock (SEP/08). Ordinary income for 3rd quarter (3 months) declined by 63% y-o-y (year on year), and by 6% compared to the same nine-month period of FY2007.
- Bunker price eventually descended from the peak (JUL/08). Meanwhile, continuing appreciation of the yen applied significant pressure on performance.

[By segment] (Comparison of ordinary income for same nine-month period of FY2007)

Bulkships (+¥11.9 billion)

- Dry bulkers: Due to declining demand for raw materials like iron ore after October, the spot market fell significantly. Long- and mid-term contracts contributed to performance, but, the ordinary income for this three-month period dropped sharply against last year, while it remained mostly level for the nine-month period.
- Tankers: Crude oil tanker market was firm, thanks to progressive withdrawal of single-hull vessels. MOL completed to the shift to all double-hull vessels.
- Car carriers: The seaborne trade rapidly declined after November.

Containerships (△¥18.0 billion)

Trade volume on almost all routes declined after October. The freight rate on Europe west-bound route fell sharply by more than 20% due to surplus vessel supply. Even North America west-bound route, which was strong until summer, deteriorated since fall. Despite our energetic rationalization measures such as reduction of vessels, the reduced profits could not be made up.

[Extraordinary Loss]

1. Cancellation fees of high-cost chartered vessels (¥6.9 billion) were added to the financial statement.
→ A factor to push up our profits in FY2009 and thereafter.
2. Loss on write-down of investment securities of ¥6.3 billion were added to the financial statement (Reversal Method), reflecting massive declines in the stock market.

Results Comparison FY2008-3Q vs FY2007-3Q

Major factors affected Ordinary income

Stronger yen	△¥40.3 bil. (FY08-3Q ¥103.51/\$; -¥14.13/\$)
Higher bunker	△¥43.4 bil. (FY08-3Q \$576/MT; -\$193/MT)
Fluctuation of cargo volume/freight rates, etc.	+¥47.1 bil.
Cost Reduction	+18.3 bil.
Equity in earnings of affiliated companies	+¥6.3 bil.
Others (incl. Elimination)	△ ¥1.1 bil.
<hr/>	
(Balance)	△ ¥13.1 bil.

FY2008 Forecast [Consolidated]

(billion yen)	FY2008							FY2007	Increase/ decrease
	1H Result	2H		Yearly forecast	FY2008 Forecast as of 10/27/08	Increase/ decrease	Result		
		3Q Result	4Q Forecast					Forecast	
Revenue	1,095	475	+330	805	1,900	2,050	△ 150	1,946	△ 46
Operating income	165	39	△ 4	35	200	270	△ 70	291	△ 91
Ordinary income	186	33	△ 9	24	210	300	△ 90	302	△ 92
Net income	124	14	△ 8	6	130	195	△ 65	190	△ 60

Average exchange rate	¥104.91/\$	¥100.71/\$	¥88.00/\$	¥94.36/\$	¥99.63/\$	¥100.96/\$	△¥1.33/\$	¥115.55/\$	△¥15.92/\$
Average bunker price	\$608/MT	\$508/MT	\$260/MT	\$384/MT	\$497/MT	\$494/MT	+\$3/MT	\$409/MT	+\$88/MT
						Ordinary income	△6.0 bil. ¥		△86.9 bil. ¥
						(Ex. Rate)	△5.1 bil. ¥		△60.5 bil. ¥
						(Bunker)	△0.9 bil. ¥		△26.4 bil. ¥

(For reference)

FY2008 Exchange rate sensitivity/year:	±3.80 bil. ¥/1¥	(Max)
FY2008 Bunker price sensitivity/year:	±0.30 bil. ¥/1\$	(Max)
(Consolidated Ordinary Income Basis)		

FY2008 Consolidated Segment Forecast

(billion yen)		FY2008							FY2007	Increase/ decrease
		1H Result	2H		Yearly forecast	FY2008 Forecast as of 10/27/08	Increase/ decrease	Result		
			3Q Result	4Q Forecast					Forecast	
Bulkships	Revenue	595	250	165	415	1,010	1,070	△ 60	1,025	△ 15
	Ordinary income	171	46	△ 4	42	213	270	△ 57	278	△ 65
Containerships	Revenue	372	167	111	278	650	720	△ 70	687	△ 37
	Ordinary income	△ 2	△ 7	△ 6	△ 13	△ 15	0	△ 15	7	△ 22
Logistics	Revenue	33	15	10	25	58	68	△ 10	61	△ 3
	Ordinary income	1	0	△ 0	0	1	3	△ 2	2	△ 1
Ferry & domestic transport	Revenue	29	15	13	28	57	62	△ 5	53	+4
	Ordinary income	△ 0	1	△ 0	0	0	1	△ 1	0	△ 0
Associated businesses	Revenue	61	26	29	55	116	120	△ 4	109	+7
	Ordinary income	7	4	2	6	13	13	△ 0	14	△ 1
Others	Revenue	5	2	2	4	9	10	△ 1	11	△ 2
	Ordinary income	1	1	0	1	3	3	+0	5	△ 2
Elimination	Revenue	-	-	-	-	-	-	-	-	-
	Ordinary income	8	△ 11	△ 1	△ 13	△ 5	11	△ 16	△ 4	△ 1
Consolidated	Revenue	1,095	475	330	805	1,900	2,050	△ 150	1,946	△ 46
	Ordinary income	186	33	△ 9	24	210	300	△ 90	302	△ 92

Revenues from customers, unconsolidated subsidiaries and affiliated companies

"Bulkships" consists of Dry bulkers, Tankers, LNG carriers, and Car carriers

Key points of FY2008 Full-year Forecast [Consolidated]

[Overall]

Significant downward revision of forecast factoring in deterioration of business climate due to business sentiment worldwide and acceleration in appreciation of the yen.

	Last Forecast*	Revised Forecast	(*As of October 27, 2008)
Ordinary income	¥300 billion	→ 210 billion	
Net income	¥195 billion	→ 130 billion	

[By segment] (Increase/decrease of ordinary income from last forecast of Oct.27, 2008)

Bulkships (△¥57.0 billion)

- Dry bulkers: Spot bulker market needs more time to achieve a full-fledged recovery although it somehow escaped the very bottom. Continued decline of profits is inevitable, despite implementation of such measures as returning spot-chartered vessels and scrapping older vessels.
- Tankers: Downward revision, factoring in market weakness of both crude oil tankers and product tankers.
- Car carriers: Downward revision as a result of rapid decline in cargo volume after November 2008.

Containerships (△¥15.0 billion)

Significant downward revision of profits due to weak trade worldwide and a deterioration of fleet demand-supply balance.

Elimination (△¥15.6 billion)

Exchange loss caused by accelerating appreciation of the yen.

[Dividend] Plan to pay ¥31 per share (Interim: ¥15.5 + year end: ¥15.5)

[Memo]

[Supplement]

Market Information

1. Dry Bulker Market (spot charterage/day)

(US\$)

Size	Route	FY2008					FY2007
		1Q	2Q	3Q	4Q	Total	Total
		Actual	Actual	Actual	Forecast	Forecast	Average
Capesize	4TC Average	176,300	118,000	10,000	15,000	79,800	126,600
Panamax	Pacific Round	68,300	46,000	6,400	5,000	31,400	59,400
Handymax	Pacific Round	51,500	40,900	7,400	6,000	26,500	48,000
Small handy	Pacific Round	34,900	30,500	5,600	5,000	19,000	33,200

Source for actual : The Baltic Exchange(Capesize)/Tramp Data Service(Others)

2. Tanker market (spot freight index)

(WS)

Type	Route	FY2008					FY2007
		1Q	2Q	3Q	4Q	Total	Total
		Actual	Actual	Actual	Forecast	Forecast	Average
Crude Oil Tanker (VLCC)	Arabian Gulf/ Far East	160	136	75	80(*1)	113(*2)	90
Product Tanker (MR)	Singapore/ Far East	249	344	298			269

Source for actual : Drewry "Shipping Insight"

*1, *2: Shown at WS criteria of Year 2008.

Car Carriers Loading Results

(1000 units)

(Voyage Completion basis; including voyage charter)	FY2008						FY2007
			1st Half				
	1Q	2Q	Result (A)	3Q	2nd Half Forecast (B)	(A)+(B)	
Total	757	734	1,491	653	1,067	2,559	2,783

Major Containership Trades Utilization

(unit: 1000TEU)

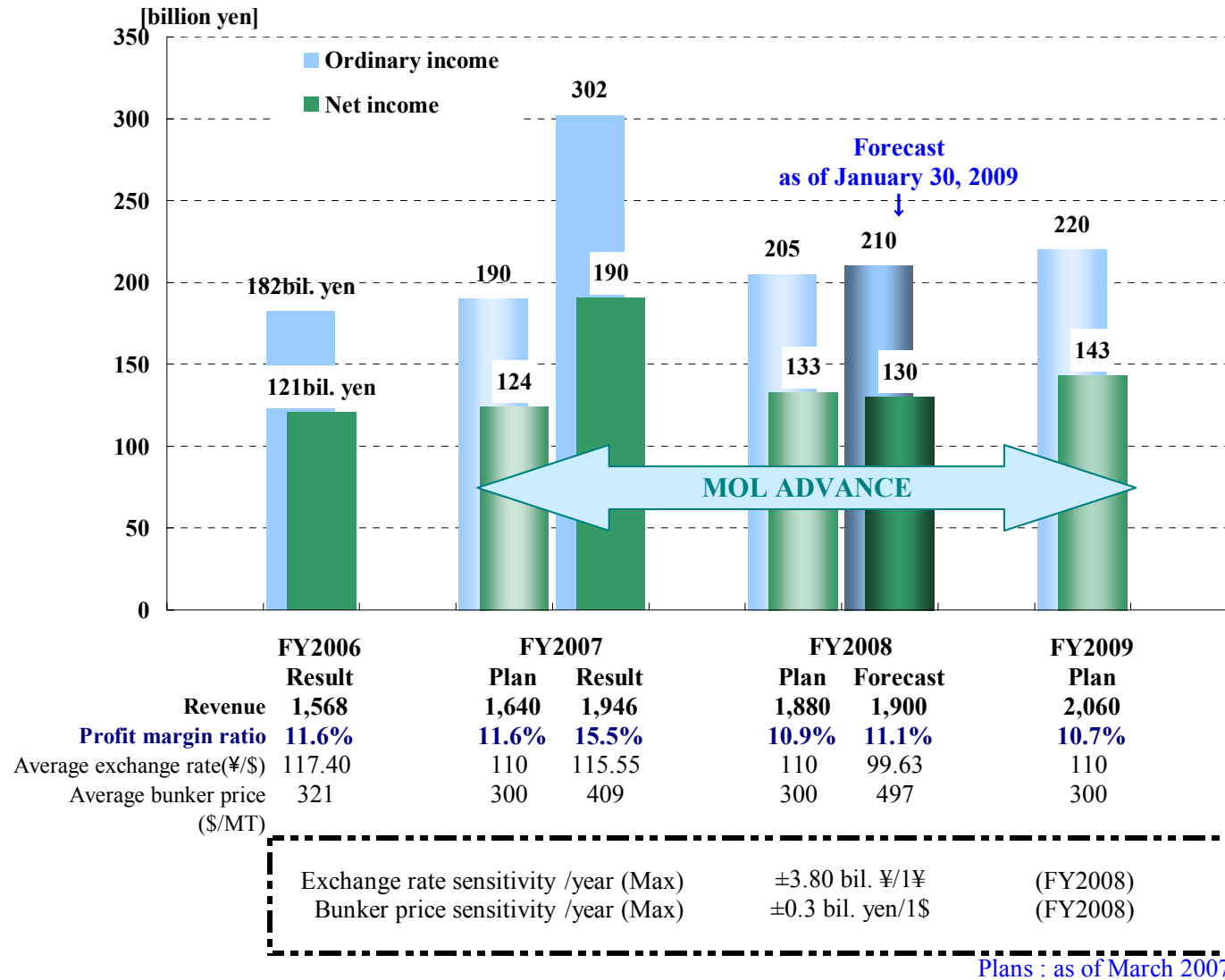
Asia-North America Trade (TPS)

			Outbound (E/B)						Inbound (W/B)					
			Capacity		Lifting		Utilization		Capacity		Lifting		Utilization	
FY2008	2nd	4Q												
	half	3Q	141		125		89%		144		82		57%	
	1st	2Q	158	310	148	273	94%	88%	155	303	97	184	62%	61%
	half	1Q	152		125		82%		148		87		59%	
FY2007	2nd	4Q	139	300	121	265	87%	88%	129	288	78	161	60%	56%
	half	3Q	161		144		89%		159	582	83	331	52%	57%
	1st	2Q	161	603	155	558	96%	97%	154	293	87	169	56%	58%
	half	1Q	142	303	138	292	97%		139		82		59%	

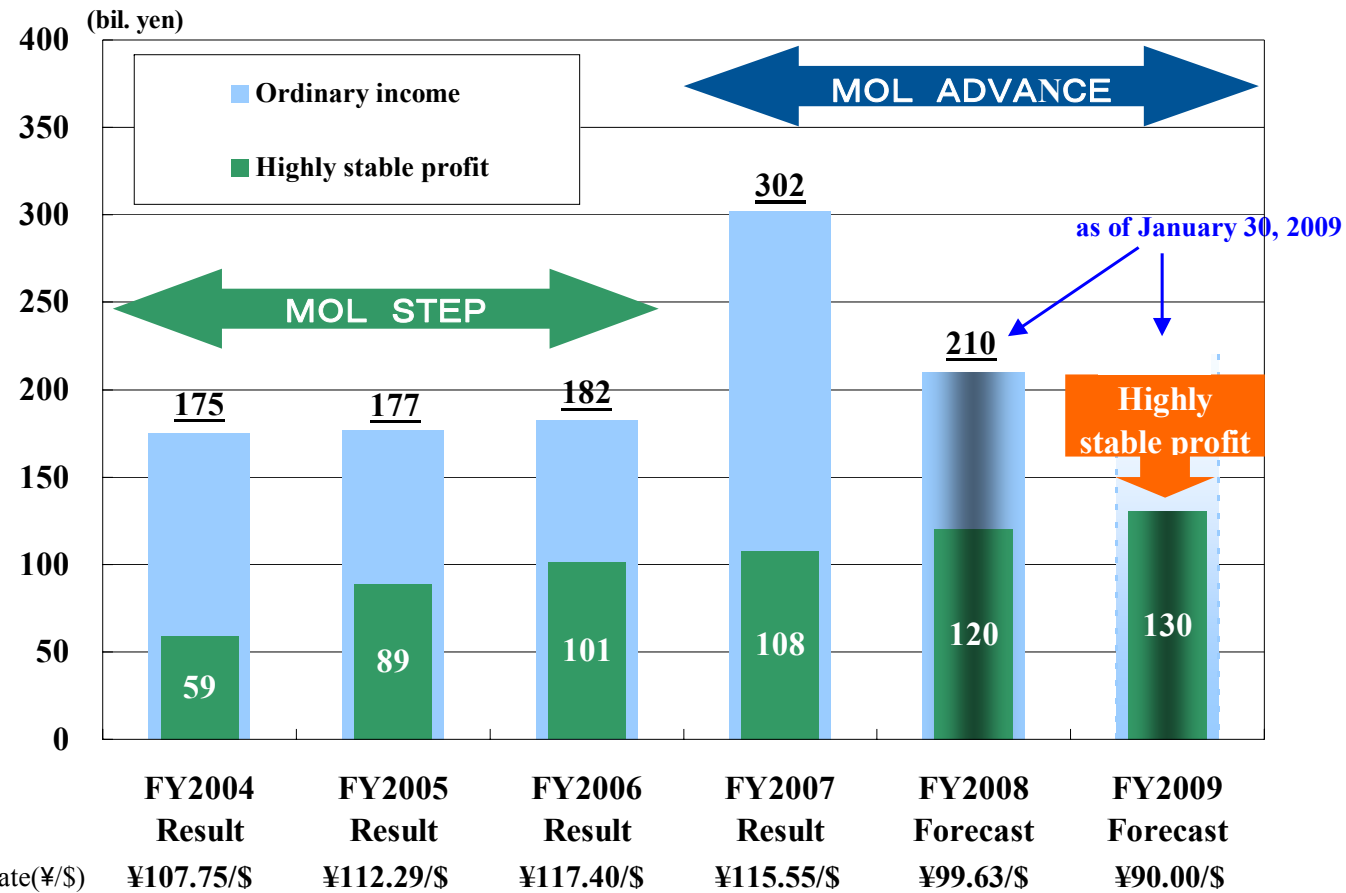
Asia-Europe Trade

			Outbound (W/B)						Inbound (E/B)					
			Capacity		Lifting		Utilization		Capacity		Lifting		Utilization	
FY2008	2nd	4Q												
	half	3Q	110		106		96%		115		65		56%	
	1st	2Q	134	262	125	246	94%	94%	132	259	67	135	51%	52%
	half	1Q	129		121		94%		127		68		53%	
FY2007	2nd	4Q	125	243	111	222	88%	91%	120	227	64	127	53%	56%
	half	3Q	118		111		94%		107	436	63	256	58%	59%
	1st	2Q	110	463	109	440	99%	95%	104	209	64	129	62%	62%
	half	1Q	110	220	109	218	100%		105		65		62%	

“MOL ADVANCE” Overall Profit Plan

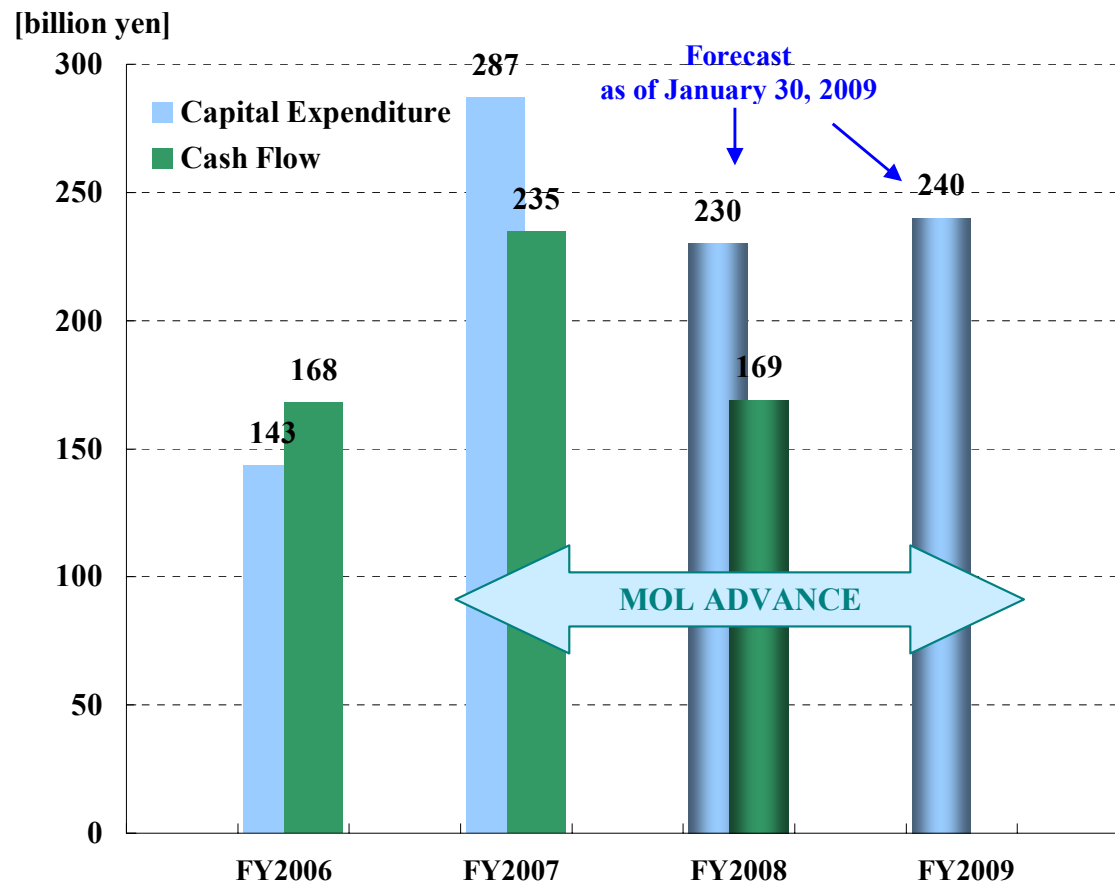


Highly Stable Profit



Highly stable profit = Firm profit through middle and long-term contracts and projected profit from highly stable businesses.

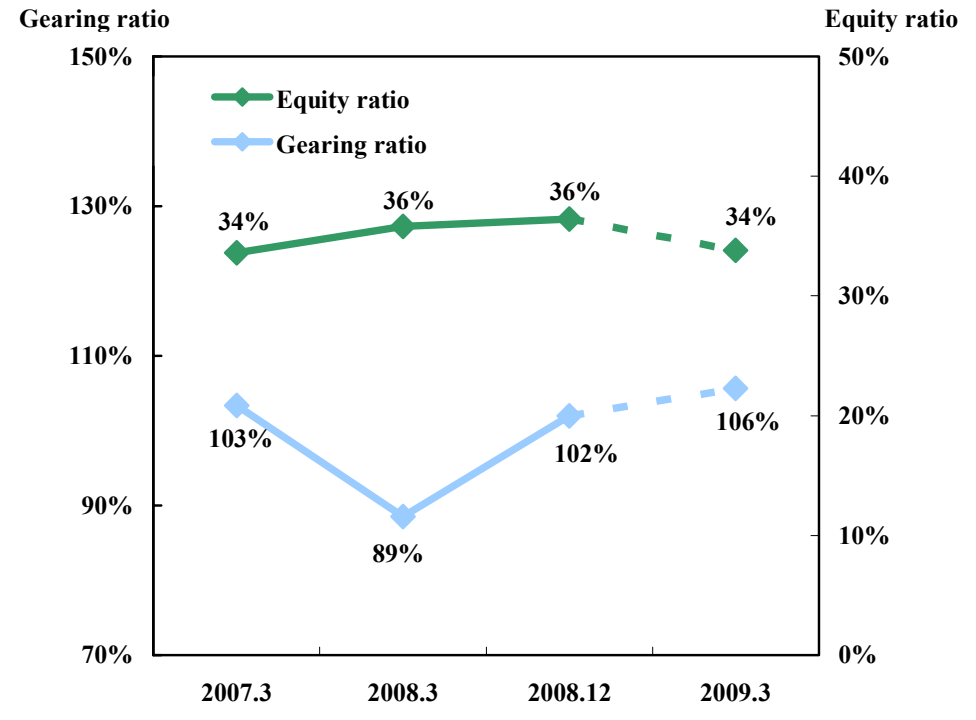
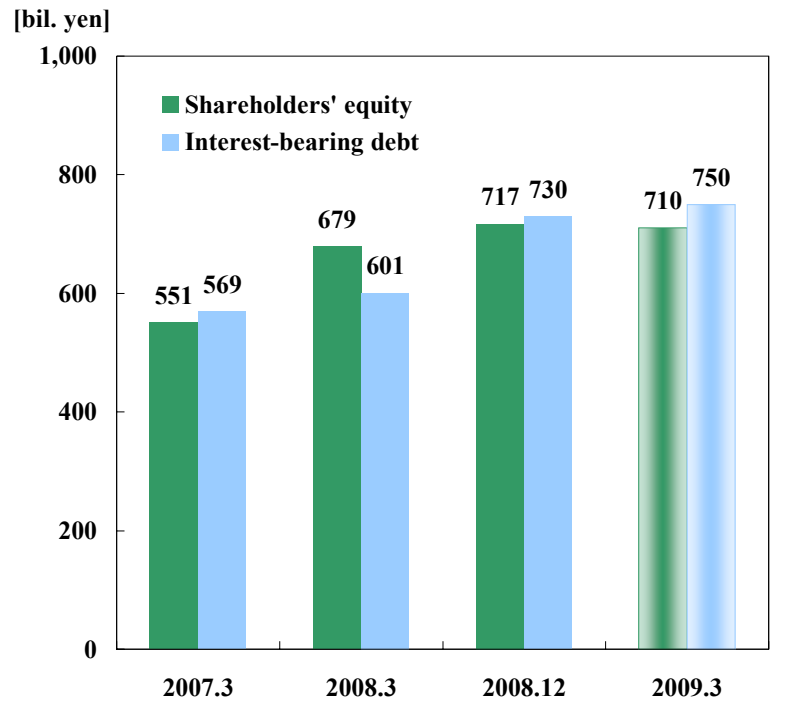
Cash Flows & Capital Expenditure



Average exchange rate(¥/\$)	117.40	115.55	99.63
Depreciation(billion yen)	69	75	78
Dividend Paid(billion yen)	22	30	39

Cash flow = Net income + Depreciation - Dividend Paid

“MOL ADVANCE” Financial Plan



	2007.3	2008.3	2008.12	2009.3
Term-end exchange rate(¥/\$)	118.05	115.55	91.03	88.00
MOL	119.11	114.15	103.57	91.03
Overseas subsidiaries				

Result **Result** **Result** **Estimate**
 as of Jan. 30, 2009
 Gearing ratio = Interest bearing debt/Shareholders' equity
 Equity ratio = Shareholders' equity/Total Assets